The Second Member of Council referred him to the arrangements contemplated in Section 48 of the new Regulation which were intended to avoid the difficulty complained of.

SUBJECT No. 32.

Imposition of Income-tax at 2 to 6% on cash transactions only.

Mr. Sati Halappa, Chitaldrug Taluk.

Mr. Sati Halappa.—In imposing income-tax on merchants, the Collector will take the total amount of transaction into consideration and presume that 10 to 12% is derived after giving deductions for expenditure, instead of calculating the profit according to the accounts maintained by them. This presumption is not reasonable, because the merchants cannot realise such heavy profit after paying rent, etc. Moreover, credit transaction is taken into account. This is very hard for them. It is prayed that 2 to 6 per cent tax may be imposed on cash transactions only.

The Second Member of Council referred the member to the discussions previously made and said that orders were issued for fixing percentage of profit for each line of business.

SUBJECT No. 33.

Appointment of an Auditor to check the accounts of merchants.

Mr. Sati Halappa, Chitaldrug Taluk.

Mr. Sati Halappa.—The Income-Tax Collector insists on maintaining the accounts showing the balance of goods, etc., otherwise, he refuses to believe the accounts kept in the shops. It is not possible to the merchant to do so. It is therefore prayed than an auditor may be appointed to strike the balance of goods, articles, etc., at the end of the year or at any appointed time.

Second Member of Council.—This cannot be done.

SUBJECT No. 34.

Income-tax cases to be heard at taluk or hobli headquarters.

Messrs. Maralusiddappa and Rudrappa, Arsikere Taluk; M. Channabasappa, Arsikere Town Municipality; N. S. Nanjundaiya, H. Boranna and K. Mahadevappa, Hassan Taluk.

Mr. N. S. Nanjundaiya in moving this subject pointed out that valuable documents were liable to be lost by their having to be carried from villages to the Collector's headquarters.

The Second Member of Council observed that if abstracts of accounts in the prescribed D form were furnished by the parties, the accounts would be examined with reference to such returns and returned soon and the difficulty complained of would not then exist.

Dewan.—We shall investigate this question of accounts and production of documents.

SUBJECT No. 35.

Abolition of the proposed super-tax.

Mr. Singri Nanjappa, Tiptur Municipality.

Mr. Singri Nanjappa.—The taxes, at present, levied are numerous. The levy of super-tax or any other kind of tax does not tend to the development of the country. It is therefore prayed that no fresh taxes may be levied.

Dewan.—This question has been fully discussed in the Legislative Council. The Bill will be passed into law at the next Legislative Council meeting.

Mr. Ramachandra Rao Scindhe.—The Income-Tax Regulation was brought into force just a few years ago. This Regulation has not yet been properly understood by the people. It is too soon to impose new taxes. New taxes introduced will scare away the people and discourage the promotion of new Companies, and consequently the growth of new industrial enterprises.

Dewan.—The policy as regards encouragement of industries is to give exemption to special industries.